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Proposed programme budget for the biennium 2006-2007

Contingency fund: consolidated statement of programme budget implications and revised estimates

Thirty-second report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the consolidated statement of programme budget implications and revised estimates (A/C.5/60/25).

2. The Advisory Committee notes that at this point the Fifth Committee has yet to take formal action with regard to the approval of the specific programme budget implications and revised estimates that are currently before it; accordingly, the consolidated statement takes as its starting point the total value of the relevant items that are before the Fifth Committee for decision, after taking into account the relevant recommendations of the Committee.

3. In its reports on a number of statements of programme budget implications for draft resolutions, the Advisory Committee has recommended that conference servicing requirements be considered in the context of the review of the consolidated statement (see A/60/7/Add.27 and 29). The Committee notes, as indicated in paragraph 2 of the report of the Secretary-General, that an amount of $689,800 in conference servicing requirements has been identified for absorption out of a total requirement of $9,217,600.

4. Taking into account that adjustment, the Secretary-General estimates the total requirements related to the statements of programme budget implications and revised estimates at $22,098,100. For the biennium 2006-2007, the level of the contingency fund, as approved by the General Assembly in its resolution 59/278 of 23 December 2004, is $27.2 million. Therefore, should the Assembly approve the appropriation of the amounts set out in paragraph 4 of the report, a balance of $5,101,900 would remain in the contingency fund to meet future requirements at the sixty-first and sixty-second sessions of the Assembly.

5. The Advisory Committee points out that under the terms of section B of the annex to resolution 42/211 of 21 December 1987, the fund covers additional

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expenditures relating to the biennium that are based on decisions taken during the year preceding the biennium and the biennium — a three-year period. The additional expenditures of $22,098,100 outlined in the report of the Secretary-General relate only to decisions taken in the first of three years. **In this connection, the Committee points to paragraph 2 of section B of the annex to General Assembly resolution 42/211, which stipulates that prudent use of the fund requires that it should not be exhausted before the end of the period that it covers.**

6. The Advisory Committee also notes that the consolidated statement submitted by the Secretary-General is based on the assumption that the General Assembly will decide to make an exception to the application of the procedures for the use and operation of the contingency fund as regards the revised estimates relating to the 2005 World Summit Outcome (see A/60/537). The Committee has discussed this matter in its report on the revised estimates, in which it presented options for consideration by the Assembly (see A/60/7/Add.13, paras. 66 and 67). **In the opinion of the Committee, the Secretary-General should have made reference to the possibility that the General Assembly might decide to maintain the existing procedure.** In this connection, the Committee recalls paragraph 9 of annex I to General Assembly resolution 41/213 of 19 December 1986 and paragraphs 3 and 6 of section C of the annex to Assembly resolution 42/211 concerning the need to provide indications of alternatives should the amount in the contingency fund be insufficient to cover the total financial implications contained in the statements of programme budget implications and revised estimates. **The Committee underscores the need for the full implementation of these provisions.**